UNITED
NATIONS

ST

Secretariat

ST/AI/394
19 May 1994

ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: The Controller

Subject: AFTER-SERVICE HEALTH INSURANCE*

1. The present administrative instruction sets out the established policy in regard to the provision of after-service health insurance coverage under specified conditions as well as the related administrative procedures. Administrative instruction ST/AI/172 of 27 March 1967 and the related addendum and amendments are hereby superseded.

Persons eligible for after-service health insurance coverage

2. After-service health insurance coverage is optional. It is available only as a continuation of previous coverage without interruption in a contributory health insurance plan of the United Nations. In this context, a contributory health insurance plan of the United Nations is defined to include a contributory health insurance plan of another organization in the common system under which staff members may be covered by special arrangement between the United Nations and that organization. In order to be enrolled in the after-service health insurance programme, the former staff member and his or her spouse and eligible dependent children, or the surviving spouse and eligible dependent children of the former staff member, must all have been covered under such an insurance scheme at the time of the staff member's separation from service or death. A child born within 300 days of the staff member's separation from service or death is eligible for coverage, provided that the other eligibility requirements are met.

3. Coverage under the after-service health insurance programme is available to persons in the following categories:

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* Personnel Manual index No. 6200.

(a) A staff member who, while enrolled in a United Nations contributory health insurance plan, as defined in paragraph 2 above, was separated from service, other than by summary dismissal:

(i) With a disability benefit under the Regulations of the United Nations Joint Staff Pension Fund (UNJSPF) or with compensation for disability under appendix D to the Staff Rules; or

(ii) At 55 years of age or later, provided that he or she had been a participant in a contributory health insurance plan of the United Nations or a specialized agency or the International Atomic Energy Agency (IAEA) for a minimum of five years and is eligible to receive a retirement, early retirement or deferred retirement benefit under the Regulations of UNJSPF. Except in cases of extension of appointment beyond the normal age of retirement, only participation in a United Nations health insurance plan prior to the attainment of the normal age of retirement shall count towards meeting the five-year participation requirement;

(b) The spouse and eligible dependent children of a former staff member, as defined in subparagraph 3 (a) above, who were enrolled in the same contributory health insurance plan as the former staff member at the time of the former staff member's separation from service, provided they are eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both;

(c) The surviving spouse and eligible dependent children of:

(i) A staff member who died in service while participating in a United Nations contributory health insurance plan; or

(ii) A former staff member who died while participating in the after-service health insurance programme;

provided that the surviving spouse and dependent children were participating in the same health insurance plan at the time of death of the staff member or former staff member, and are eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both.

4. Except in cases in which both the former staff member and the surviving spouse are deceased, dependent children may be covered under the after-service health insurance programme until the end of the calendar year in which they reach 25 years of age, provided that they are not married or in full-time employment. Where the former staff member and surviving spouse are both deceased, the surviving children will no longer be eligible to participate in the after-service health insurance programme upon cessation of the periodic benefit awarded under the Regulations of UNJSPF and/or appendix D to the Staff Rules, normally when they have attained 21 years of age.

Contributions to the cost of after-service health insurance

5. The cost of participating in a United Nations after-service health insurance plan shall be governed by the following conditions:

(a) The cost of participation under the provisions of subparagraphs 3 (a) (i) and 3 (c) (i) shall be borne on the basis of joint contributions by the United Nations and the participants concerned;

(b) The cost of participation under the provisions of subparagraph 3 (a) (ii) shall be borne on the basis of joint contributions by the United Nations and the participants concerned provided that the former staff member had participated in a contributory health insurance plan of the United Nations or a contributory health insurance plan of a specialized agency or IAEA for a total period of contributory participation of at least 10 years;

(c) The cost of participation under the provisions of subparagraph 3 (a) (ii) for all those not meeting the conditions in subparagraph 5 (b) will be borne in full by the participants concerned. When the former staff member's combined participation as a staff member and as an after-service health insurance participant has reached a total of 10 years, the cost of participation shall be borne thereafter jointly by the Organization and the participant concerned;

(d) Joint contributions by the United Nations and the after-service health insurance participants, as indicated in subparagraphs 5 (a), 5 (b) and 5 (c) above, shall be computed in accordance with the established contribution and subsidy scales for the particular health insurance plan concerned. The participants' contributions shall be calculated on the basis of the higher of the following two rates:

(i) One third of the remuneration used for calculating the health insurance subsidy of the staff member concerned at the date of separation; or

(ii) The total of the periodic benefits payable on the staff member's account under the Regulations of UNJSPF or under appendix D to the Staff Rules, or both, whether or not part of such benefits has been commuted to a lump sum or reduced by the exercise of any other permissible option, including early retirement;

(e) The cost of participation in an after-service health insurance plan for those individuals eligible under subparagraphs 3 (b) and 3 (c) (ii) will be determined on the same basis as would have been used for participation by the former staff member concerned, taking into account the length of his or her participation in a United Nations health insurance plan as a staff member and as a participant in an after-service health insurance plan.

Payment of contributions to the cost of after-service health insurance coverage

6. Participants in the after-service health insurance programme are required to pay their contributions in advance of the period of coverage under the

applicable health insurance plan. Contributions must be made in a currency acceptable to the Organization for the purposes of the insurance plan chosen. In the case of health insurance plans administered at Headquarters, the only currency acceptable is the United States dollar. In addition, staff members and their surviving spouses and/or eligible dependent children who enrol in a health insurance plan administered at Headquarters shall have their contributions deducted on a monthly basis from their periodic pension benefit. An authorization form permitting UNJSPF to effect such monthly deduction from the periodic pension benefit is an integral component of application for after-service coverage under any of the health insurance plans administered at Headquarters; this form must be executed as part of the application process for the after-service health insurance benefit (see also para. 15).

7. In some instances, there may be a delay in the process of completing the after-service health insurance enrolment requirements, as the separated staff member must be recorded in the Pension Fund, and the final pay statement must be furnished, before enrolment in the after-service health insurance programme can be completed. Where such a delay occurs, participation in the after-service health insurance programme shall commence retroactively on the first day of the month following cessation of coverage on an in-service basis. In such cases, the after-service health insurance participant will be billed for the required contribution amount for the initial period of coverage.

8. There may be instances in which the monthly pension benefit paid to the retiree may be insufficient to meet the full monthly cost of the health insurance coverage. This may arise, principally, in cases in which the after-service health insurance applicant has not met the 10-year requirement and is, therefore, not yet eligible to benefit from the organizational subsidy towards the cost of after-service health insurance. In such cases, payment of the requisite contribution must be made in advance, in amounts up to six months' premium.

9. After-service health insurance participants whose premium contributions are payable on the basis of an invoice, rather than through the automatic pension deduction mechanism, must remit full payment of the amount billed by the due date indicated on the invoice. Failure to remit the premium in full by the date indicated will result in suspension of insurance coverage, without further notice. Insurance benefits may be reinstated provided that the full required premium payment is remitted within three months of the date of suspension of coverage. Failure to reinstate coverage by the latter date will result in termination of eligibility to participate in the after-service health insurance programme.

Cessation of coverage

10. Eligibility for after-service health insurance coverage shall cease when:

(a) Enrolment is terminated under the conditions set out in paragraph 9 above;

(b) The periodic disability or compensation benefits awarded to a former staff member are stopped;

(c) Upon the remarriage of a surviving spouse who is otherwise eligible for after-service health insurance coverage;

(d) When a covered child no longer qualifies as a result of marriage, full-time employment or cessation of a pension or compensation benefit, whichever comes first.

11. After-service health insurance participants are responsible for promptly informing the office administering their insurance plan whenever a covered family member ceases to be eligible for participation in the after-service health insurance programme by virtue of divorce in the case of a spouse, or the marriage, full-time employment or attainment of 25 years of age in the case of a dependent child. No retroactive adjustments in the insurance contribution amount will be made as a result of failure to provide timely notification of any change in the status of covered family members to the administering office concerned.

12. A participant in the after-service health insurance programme who chooses to cancel his or her coverage, for reasons of alternative insurance arrangements or otherwise, must provide written notice of the intention to cancel coverage to the office administering his or her United Nations health insurance plan. Cancellation of coverage will be made effective on the first day of the month following receipt of the written notification. Notwithstanding such notification of cancellation of coverage, the after-service health insurance participant will be responsible to remit promptly to the United Nations any contribution amounts which may be unpaid at the time of cancellation of coverage. If the contribution account of the after-service health insurance participant has a credit balance, the United Nations will refund such credit to the individual concerned. It should be noted that coverage, once cancelled, cannot later be reinstated.

Staff member married to another staff member

13. In the case of a staff member married to another staff member, the insurance coverage, whether at the two-person or family level, must be carried by the higher salaried staff member while both are in service. In the event of divorce or the death of the spouse who pays the insurance contributions, a staff member who was enrolled as a spouse under the coverage of the other spouse maintains individual participation status for the purpose of any subsequent after-service health insurance benefits.

14. If one spouse retires from service with the Organization before the other spouse, the spouse remaining in active service must become the subscriber. This applies even if the retired spouse had been the subscriber up to the date of retirement and is otherwise eligible for after-service health insurance benefits following separation from service. If both staff members have separated from service and if each individually is eligible for after-service health insurance benefits, the cost of the contribution towards the after-service health insurance coverage must be borne by the former staff member with the higher pension.

Application for after-service health insurance benefits

15. The application documents relating to enrolment in the after-service health insurance programme must be submitted to the office administering the after-service health insurance plan within 31 days following the date of separation. Application forms may be submitted before the date of separation, but not more than 31 days before that date. In cases in which eligibility for after-service health insurance benefits accrues as a result of the death of a staff member, the surviving spouse and/or eligible dependent children must normally apply for after-service health insurance benefits within three months of the date of death of the staff member. Application forms will be receivable only if they are completed accurately and in full. In the case of an application for a plan administered at Headquarters, the forms must also be accompanied by an executed pension deduction authorization form.

16. Staff members separating from service at Headquarters may submit the relevant application forms directly to the Insurance Section, Office of Programme Planning, Budget and Finance, room S-2765. Staff members at other duty stations who apply for after-service health insurance coverage under a plan administered at Headquarters must submit the relevant application forms through their administrative office, not directly to the Insurance Section at Headquarters.

17. Staff members who are close to retirement or early retirement should ensure that they are provided with all relevant information concerning the after-service health insurance programme. Such information is available from the office administering their in-service health insurance coverage.

Transfer from one health insurance plan to another

18. At the time of retirement, a staff member may switch from the insurance plan which he or she had on an in-service basis to a health insurance plan which is more appropriate to the location of residence following separation from service, under certain conditions. Thus, a staff member who, while in active service, participated in a Headquarters health insurance plan, may switch to a non-United States-based plan if he or she will reside outside the United States following separation from service, provided that covered dependants will also not reside in the United States.

19. After-service health insurance participants who change their country of residence may also transfer from one insurance plan to another if a different plan is more appropriate to the new country of residence. In such cases, the change in plan will become effective on the first day of the month following receipt of written notification regarding the change in country of residence. A transfer from one health insurance plan to another in this case will normally be permissible only after one year's coverage under any one of such health insurance plans. With respect to health insurance plans available to after-service participants who reside in the United States, transfer from one plan to another may be made subject to the condition that there must normally be two years' coverage under any such plan before a change can be made.